

ERIC CANTOR
7TH DISTRICT, VIRGINIA

CHIEF DEPUTY REPUBLICAN WHIP

COMMITTEE:
WAYS AND MEANS

SUBCOMMITTEES:
SELECT REVENUE MEASURES
OVERSIGHT

Congress of the United States
House of Representatives
Washington, DC 20515-4607

WASHINGTON OFFICE:
329 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2815
FAX: (202) 225-0011

RICHMOND OFFICE:
4201 DOMINION BOULEVARD, SUITE 110
GLEN ALLEN, VA 23060
(804) 747-4073
1-800-438-3793
FAX: (804) 747-5308

CULPEPER OFFICE:
763 MADISON ROAD, SUITE 207
CULPEPER, VA 22701
(540) 825-8960
FAX: (540) 825-8964

<http://cantor.house.gov>


Congressman Eric Cantor

Questions for the Acting IRS Commissioner Linda Stiff

1. I understand that Free File returns have greatly increased, perhaps on the order of 14% year-to-date. Do you believe the program reforms and improvements have increased public confidence and usage of the program?
2. The IRS research denotes a 98% customer satisfaction rating for the Free File program; to what do you attribute this obvious success?
3. Given the success of the Free File program, has the IRS made any efforts to educate the public about its availability and what is the plan to assure public awareness of this program going forward?
4. It has been estimated that if IRS were to terminate Free File and replace it with an IRS WebPortal it would cost at least \$400 million to build, and \$ 100 million a year to operate possibly reaching \$1 billion in its first 5 years of operation.
 - a. Would the IRS contract to create this program be sole-sourced awarded or would it be open for competition?
 - b. Currently the Free File program is free to both the Government and the taxpayers, what programs would the IRS have to cut to make the funds available to operate such a program?
5. The British government provides free tax services online for its citizens at a cost of hundreds of millions of pounds. In addition, the government launched a major national advertising campaign including television advertisements. Despite these efforts, their government run electronic filing rate is half of what it is here in the United States and is plagued with security problems and system failures. The British Parliament did an extensive study last summer which included a suggested

change to the U.S. system. I know IRS has been under pressure to shift over to the British model here, but given their failures, would you still ponder such a move?

6. The Free File Enhancement Act, which I introduced with my colleague Zoe Lofgren, has been co-sponsored by 70 bipartisan Members of the House and half the Members of the Ways and Means Committee. This expansion would not only allow eligible taxpayers access to free tax software, but would also allow taxpayers to directly e-file their returns. provide a forms-based tax preparation system that taxpayers could e-file directly. This expansion would have no cost to IRS, and it would be free to American taxpayers. Some argue that my legislation is not necessary since the IRS currently has the ability to require such an expansion. Does the IRS currently have the ability to require an expansion of the Free File Alliance to provide e-filing for eligible taxpayers? and if so, why hasn't the IRS done so?